

Improving the Base Realignment and Closure Process

EWS 2004

Subject Area National Military Strategy

Improving the Base Realignment and Closure Process

EWS Contemporary Issue Paper

Submitted by Captain WS Gourley

to

Major MB Ralston, CG 11

<b>Report Documentation Page</b>			<i>Form Approved OMB No. 0704-0188</i>	
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1. REPORT DATE <b>2004</b>	2. REPORT TYPE	3. DATES COVERED <b>00-00-2004 to 00-00-2004</b>		
4. TITLE AND SUBTITLE  <b>Improving the Base Realignment and Closure Process</b>		5a. CONTRACT NUMBER		
		5b. GRANT NUMBER		
		5c. PROGRAM ELEMENT NUMBER		
6. AUTHOR(S)		5d. PROJECT NUMBER		
		5e. TASK NUMBER		
		5f. WORK UNIT NUMBER		
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>United States Marine Corps,Command and Staff College, Marine Corps University,2076 South Street, Marine Corps Combat Development Command,Quantico,VA,22134-5068</b>		8. PERFORMING ORGANIZATION REPORT NUMBER		
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)		
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)		
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>				
13. SUPPLEMENTARY NOTES				
14. ABSTRACT				
15. SUBJECT TERMS				
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>Same as Report (SAR)</b>	18. NUMBER OF PAGES <b>8</b>
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>		

## INTRODUCTION

"Congress authorized a base realignment and closure (BRAC) round in 2005. At a minimum, BRAC 2005 must eliminate excess physical capacity; the operation, sustainment, and recapitalization of which diverts scarce resources from defense capability. However, BRAC 2005 can make an even more profound contribution to transforming the Department by rationalizing our infrastructure with defense strategy. BRAC 2005 should be the means by which we reconfigure our current infrastructure into one in which operational capacity maximizes both warfighting capability and efficiency."

Donald H. Rumsfeld, Secretary of Defense

November 15, 2002

The above quote from the Secretary of Defense succinctly puts into perspective the need for BRAC. This paper will attempt to amplify on the need for the BRAC process, but also offer recommendations to improve the process. The Base Realignment and Closure (BRAC) Act is the business process that the Department of Defense (DoD) uses to either eliminate or better utilize excess military facilities.<sup>1</sup> It is estimated that the DoD has between 20-25% in excess installation infrastructure, the maintenance of which costs billions of dollars each year and it is estimated that prior base closings under the BRAC have resulted in an annual savings for the Department of Defense of nearly seven billion dollars.<sup>2</sup> Therefore, closing or better utilizing the existing base infrastructure will

result in significant savings to the DoD that could be used for the procurement of new weapons systems or to upgrade the remaining base infrastructure. While it is agreed that DoD should use the best business practices with respect to all of its assets, if the BRAC process were to be changed to allow for rapid implementation with the respective service chiefs to decide what is best for their service. This would any savings could be utilized by the military sooner and costs associated with the closing or realignment of bases would be reduced.

#### **Base Realignment and Closure History**

The BRAC concept originated in the 1960s. When the DoD realized that WWII and the Korean War had left the DoD with excess bases. At the guidance of Secretary of Defense Robert McNamara, the DoD closed nearly sixty bases. However, Secretary McNamara failed to consult with Congress or the military prior to closing the bases and, as a result, once the economic impact of the closures was felt by the respective communities, politicians insisted that the political representatives for a community that would be impacted be consulted prior to additional closures.<sup>3</sup> In 1965, Congress passed a law requiring that they, Congress, be informed of any potential base closing.<sup>4</sup> However, this

law was vetoed by President Lyndon B. Johnson and the DoD continued closing and rearranging bases without any input from congress.<sup>5</sup> It was not until 1977, when President Carter signed Public Law 95-82, that the DoD was required to notify congress of any base that was a potential target for realignment or closure.<sup>6</sup> The law required that reports on the environmental, strategic, and economic impact of potential base closures be submitted to Congress for scrutiny.

**Cost of closing bases.**

There are significant upfront costs involved in closing a base. The most notable costs are those associated with the environmental clean-up of the bases. As of FY 2001, the DoD had spent nearly \$7 billion on environmental cleanup and is expecting to spend another \$3.5 billion.<sup>7</sup> This requires the DoD to maintain a caretaker at each base to ensure the environmental clean up and also to make sure the general upkeep of the base is maintained until transfer of the property is complete. The environmental clean up delays the DoD from transferring the property to another federal agency or non-federal entity.

There is also a significant cost associated with the placement of DoD civilian employees affected by the closure. Employees are generally offered a buy out or

offered another position at another installation. If an employee accepts another position at a different installation, the DoD pays the cost of moving the employee to the new installation, basically a civilian permanent change of station move. Not only the cost of moving household goods, but also the cost of any temporary lodging expenses, or the reimbursement of mileage incurred commuting between bases.

An example of the Marine Corps BRAC was the closing of the Air Stations at El Toro and Tustin. The DoD was not only able to generate savings by closing two bases and consolidating them at MCAS Miramar, but also by partnering with Navy Region Southwest in San Diego. This allowed Miramar to reduce its' civilian population by using the Navy Public works department. A significant savings was realized by partnering with the Navy for utilities.

#### **Savings Generated by BRAC**

In April 2002, a report completed by the General Accounting Office (GAO) stated that "the Department of Defense has accumulated an estimated \$16.7 billion in savings through fiscal year 2001."<sup>8</sup> The \$16.7 billion figure is an estimate of the net savings to the DoD as a result of four rounds of base closures and takes into account the cost of conducting base closures, the environmental clean-

up, the placement services for displaced civilian personnel, and caretaker funds until the base is turned over to another entity.<sup>9</sup> Sixteen billion seven hundred million dollars represents a significant amount of money that could be used for procuring new weapons systems, constructing new facilities, or improving existing base infrastructure. The GAO Report does mention that the \$16.7 billion figure is not a precise figure due to some installations over estimating their savings from base closures and other installations underestimating savings.<sup>10</sup> It is also stated that the installations do not update the savings generated in timely manner, which also causes difficulty in capturing the exact amount saved.<sup>11</sup> The GAO Report states the net savings from BRAC should be considered as a "rough approximation of the likely savings."<sup>12</sup> BRAC saves money by eliminating both the cost of maintaining base facilities as well as the associated labor.

### **Conclusion/Recommendations**

While there is little doubt the BRAC process is a solid way for the DoD to do business, it could be greatly improved by enabling the Service Chiefs to decide what bases should be closed or realigned. Currently a

congressional committee is formed and they develop a list of potential installations as candidates for closure. This list is then forwarded up the political chain until it finally gets to the President and he either approves or sends the list back. This is where the process could be greatly improved by taking Congress out of the decision making process, thereby decreasing the time consumed and money spent on economic and/or environmental impact studies and allowing the DoD to realize tangible savings sooner. The Service Chiefs are in a position to know what installation assets their individual services require or what assets could be co-located on another services' installation. There could possibly be joint basing of aviation assets for example.

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<sup>1</sup> Defense Base Closure and Realignment Act of 1990. (Public Law 101-510; as amended through National Defense Authorization Act of Fiscal Year 2003).

<sup>2</sup>

<sup>3</sup> [www.globalsecurity.org/military/facility/brac](http://www.globalsecurity.org/military/facility/brac)

<sup>4</sup> [www.globalsecurity.org/military/facility/brac](http://www.globalsecurity.org/military/facility/brac)

<sup>5</sup> [www.globalsecurity.org/military/facility/brac](http://www.globalsecurity.org/military/facility/brac)

<sup>6</sup> [www.globalsecurity.org/military/facility/brac](http://www.globalsecurity.org/military/facility/brac)

<sup>7</sup> GAO Report, April 2002, Pg 21.

<sup>8</sup> Report to the Honorable Vic Snyder, House of Representatives. GAO-02-433, April 2002, page 2.

<sup>9</sup> GAO Report, April 2002, GAO-02-433, page 25

<sup>10</sup> GAO Report, April 2002, GAO-02-433, page 2.

<sup>11</sup> GAO Reprt, April 2002, pg.2

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